2002 Report Card

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Dear Tourism Partner:

As Chair of the Tourism Partnership Council, it is my pleasure to outline the accomplishments of the Council in its fourth year of operation.

This report is prepared as part of our accountability to industry and government. It highlights this year's achievements, including an analysis of our current market conditions, activity indicators for 2002, and results from our first-ever Integrated Tourism Plan.

Nova Scotia Tourism Partnership Council activities have been extremely effective in contributing to the growth of tourism — a key economic sector that benefits all Nova Scotians.

A major objective in forming the Council was to enable the private sector to participate in decision making, to better integrate programming with private sector activities, and to drive visitation and revenue growth. The Council has many accomplishments to report for 2002.

Highlights include:

- The Council unveiled its bold new Vision for the Tourism industry at the 2002 Tourism Conference and Trade Show. The Vision is about 'change', change that will create the environment for growth in the Tourism sector. It's about thinking differently, not just adapting. In order to achieve our goal, we must raise the bar on every aspect of Tourism. New thinking is critical to achieving 'real' growth in our industry. We need to think beyond what we did yesterday and what we're doing today. Vision is about where we want to be tomorrow. And we can realize this Vision if we work together to create a *Tourism 1st* attitude. A Vision that now rests with all of us to implement.

- The Council, through its Vision Committee, spent two years developing a process to create a Vision for Nova Scotia's Tourism industry in the next decade. Through a series of regional workshops in June 2002, the Council shared with industry and government partners its preliminary report. Industry feedback was incorporated into draft recommendations and actions that will help to achieve our Vision of "100% Tourism revenue growth over the next decade".
    - The Vision process incorporated a wide range of industry stakeholders from all parts of Nova Scotia, so that the Vision could generate credible goals that would be enthusiastically supported by industry, government and the public – and would be measurable.

- The Council implemented Nova Scotia's first-ever Integrated Tourism Plan. The 2002 Integrated Tourism Plan was a new approach, which was set out in Nova Scotia's Tourism Strategy announced in November 2000. This plan included an overview of our Tourism priorities and programs for 2002 using marketing, product development, policy, partnerships and research initiatives, often in combination, to address the six strategic objectives of the Tourism Strategy. *Highlights included:*
    - Increased efforts to generate more product and revenue in the peak season.
    - A new creative approach in advertising.
    - Creating product initiatives that promote the development of Nova Scotia as an authentic seacoast experience.
        - Continuing efforts in Quebec, while closely monitoring and assessing results.
        - Increasing focus on meetings and conventions during non-peak times.
        - Introducing product development programs that enhance Nova Scotia's culture and heritage experiences.
        - Continuing to build on e-marketing success with new programs and promotions.
        - Remaining flexible with marketing plans for U.S.A.
        - Introducing initiatives that develop Nova Scotia's outdoor nature experiences.
        - Training, influencing and advocacy actions.
        - Seasonal and quality issues integrated throughout product priorities.

- Unveiled an E-Marketing Strategy for Tourism, which was prepared by the Council's E-Marketing Committee.
    - The essence of the Strategy is simple - generate traffic, engage customers and convert/sell. These strategic thrusts will help determine our overall effectiveness in our e-marketing activity, as well as assist in supporting our partners, shareholders and operators.

- Nova Scotia's Partnership Opportunities for 2002 was delivered to industry in October 2001 - earlier than previous years and designed in a more user-friendly format. The 2002 booklet provided industry with deadlines and costs for our traditional programs, and

introduced several new ones. The early delivery date gave industry a chance to review the programs prior to the Tourism Conference in November, where the program "contacts" were available to answer questions.

- Secured dollars from the Atlantic Canada Tourism Partnership (ACTP) to promote the Nova Scotia brand.

- Secured dollars from Tourism Atlantic Marketing Initiative.

- Increased the participation and investment in marketing partnerships by leveraging involvement of new partners.

- Supported regional tourism initiatives with the Destination Marketing Programs.

- Developed a new Product Development Plan that will ensure the experiences we take to market are, in fact, experiences that our visitors are seeking.

- Played an active role in redefining the tourism development programs. The programs were revised to reflect the priorities of the 2002 Product Development Plan, include access by private sector to the programs, and incorporate an application process with deadlines.

- Developed a closer working relationship between Product Development and Marketing.

- Travelway and Scenic Drive Assessment - The review and assessment of our Travelway and Scenic Drive system was identified as a key priority in the 2002 Product Development Plan. The issue was forwarded to the Executive Committee and will go before Council shortly. The objective of this initiative is to assess - from a visitors perspective and by market - the existing travelways and scenic drives system throughout Nova Scotia and to determine to what extent it impacts and/or enhances visitation to the province, the coastal experience and visitors travel patterns either in the trip planning stages or while in the province.

- Update of the Product Market Match Model. The model has been updated to incorporate the findings of the latest research initiatives. In addition, the Product Development Committee requested summary documents of the Tourism Activities and Motivational Studies and their correlation to Nova Scotia products and markets.

- The IRM Task Force was initially established in January 2001 to respond to the Integrated Resource Management planning process for Crown Lands being undertaken by the Department of Natural Resources (DNR), and to address ways of providing tourism input into decision-making concerning land use management on Crown Lands administered by DNR.

- Developed Terms of Reference for a consulting study to model tourism values on Crown Lands, and provide a map of tourism values in the pilot area of Guysborough and Antigonish Counties. The tourism values will be provided as input into the IRM process for the Mulgrave Plateau Ecodistrict, the Crown Land parcel for which a Long Range Management Plan is being prepared by Natural Resources.

- Tourism Resource Values Modelling project put out to tender Summer 2002; contract awarded to EDM Ltd. Fall 2002; anticipated completion date March 31, 2003.

- Refined the IRM Task Force mandate to address other natural resource issues of concern to the long-term sustainability of the tourism sector (over and above IRM), with a focus on coastal access, conservation / protection, and land-use/oceans management on public and private lands.

- The Visitor Information Services (VIS) Committee has been tasked to develop and implement a 5-year Visitor Information Services Strategy which will provide a broad perspective on how we service Nova Scotia's visitors from a customer and quality services perspective. Using the recommendations developed by the VIS Task Force last year in their discussion paper, the Committee have been working for a number of months on developing the Strategy. VIS Strategy is expected to be complete by January 2003. The goal is to grow the tourism industry in Nova Scotia, thereby stimulating the economy of the province. The Strategy will be market driven and client focused and will be based on what our visitors are telling us.

- This year every provincial dollar applied to marketing generated another 52 cents in partnership funding from the private sector and other levels of government.

2002 unfolded as an unprecedented and unchartable year for Tourism. The adverse effects of the September 11, 2001 terrorist attacks on the North American economies continued to negatively impact business related travel. In addition, challenges persist in the transportation industry. Travelers have changed the way they travel – consumers are less likely to commit to travel plans than ever before. This has led to an increasing need for diverse and flexible marketing campaigns to grab and keep the consumers' attention.

Last year, we promised to face the uncertainties of 2002 with an "alert, reasoned and strategic" approach in our Tourism, especially marketing and planning. We increased our presence in the Northeastern US and took every advantage offered with national programs offer by the Canadian Tourism Commission and Tourism Atlantic to promote Nova Scotia in Canada. We succeeded with a major consumer promotion in Boston last May, and sent out an additional million pieces of direct mail into Ontario and Quebec.

The Council closely monitored our results and changed tactics when necessary. Visitor patterns for 2002 were 'different'. From January to May, Nova Scotia welcomed 37,000 fewer visitors than in 2001. The effects of September 11th had carried over into the early part of 2002. Visitors from Quebec and from the western US were on the rise, while the number of travelers from Ontario was decreasing. Although non-resident visitation was down, the number of room-nights sold across the province was picking up to the end of May. Visitation began to gain momentum during the summer months – to the point where, to the end of October, non-resident overnight visitation is up 3%. This trend held to finish 2002 with an overall 2% increase in the total number of visitors to 2.2 million.

With significant and encouraging increases in visitation and accommodation activity, we saw a 5% growth in revenues for 2002 – reaching $1.3 billion.

There was a substantial increase in the number of people from both Ontario (+51%) and Quebec (+49%) who requested literature on Nova Scotia. In addition, there was a 116% increase in the number of ad-generated inquiries coming by e-mail and through NovaScotia.com. We are able to measure the effectiveness of most of our marketing efforts, including the Internet. Data indicates that 23% of the people who responded directly to our advertising visited Nova Scotia this year – a 1% increase over last year's conversion rate. It is important to note that this excludes people who had already decided to come.

Revenues generated as a direct result of our marketing programs accounted for a 17% increase over last year's ad-generated revenues – which means that the $10 million we spent in marketing, plus our partner investments, generated $172 million in Tourism revenues.

Our partners continue to contribute where best they can in marketing and development efforts, unilaterally as well as in partnership with the Department of Tourism and Culture. Industry contribution has also included a huge time commitment to the process, and numerous other in-kind contributions. Further, the number of industry volunteers who assist in creating our plans on an annual basis has substantially increased yet again.

Government is supporting our activities through a budget for tourism marketing and product development programs, as well as funding for administrative support. Staff from the Tourism Division continue to provide exemplary support to our effort, and we thank them for their commitment.

On behalf of the Tourism Partnership Council, we trust you will find this report informative. If you would like further details of the Council's achievements for 2002, the following documents are available for your information. To obtain these reports, visit the Council's web site at www.nstpc.com; or contact the Tourism Partnership Council at (902) 424-0038; or e-mail: tibbocme@gov.ns.ca

- Nova Scotia's 2002 Tourism Activity Indicators
- Nova Scotia Integrated Tourism Plan 2002
- Nova Scotia 2002 Partnership Opportunities

- E-Marketing Strategy for Tourism
- Nova Scotia's Vision for Tourism

Your continued commitment and support is greatly appreciated, as we work to strengthen the Tourism industry and create a Tourism 1st attitude that will help to achieve our Vision of 100% tourism revenue growth over the next decade.

Sincerely,

Paul Stackhouse
Chair, Tourism Partnership Council